(d) The main reasons for the low capacity utilisation in the Indian context include (a) lack of growth of demand for steel to the level anticipated; (b) obsolete technology being used in most of the units in the secondary steel-producing sector; (c) low price realisation brought about by the threat of low-priced steel import from countries like CIS, South Africa; (d) increase in the cost of production due to the rise in the prices of essential inputs like electricity, fuel etc; and (e) restricted export demand following the initiation of trade actions against Indian steel exporters by the advanced/stronger nations of the world.

Retrenchment of SAIL employees

1055. SHRI K.B. KRISHNAMURTHY: Will the Minister of STEEL be pleased to state:

(a) whether Steel Authority of India Limited proposes to reduce its redundant workforce by March, 2002;

(b) whether labour productivity in steel sector is less than half of telecom sector and marginally better than power sector;

(c) whether the labour productivity in SAIL is less than 1/8th of the levels achieved elsewhere in steel sector; and

(d) whether considering the advantages the SAIL enjoys in raw-material sourcing and good market standing, Government would provide a rehabilitation package to SAIL?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJKISHORE TRIPATHY): (a) As part of rationalisation of manpower, SAIL has been reducing its workforce every year keeping the long-term target of one lakh manpower, by the financial year 2004-05. The workforce proposed to be attained by March 2002 is around 1,48,000.

(b) and (c) Labour productivity of SAIL is not comparable to Telecom and Power Sector and Steel Sector elsewhere due to differences in technology, level of outsourcing, differences in degree of automation, capacity utilisation etc. The Labour Productivity in SAIL is 108 tonnes of Crude Steel per man-year for the period April-December 2001, as compared to 96 tonnes of Crude Steel per man-year for the year 1997-98.

(d) The Government has already approved a financial and business restructuring package of SAIL in February 2000.